



Niche Marketing for Sustainable Tourism

Understanding the market for sustainable tourism involves understanding the tourists. Market strategies designed for the mass market often result in products, prices, and promotions that are not appealing to potential customers. Recreation marketing may be more effective if it is based on market segmentation and target marketing. Market segmentation is the process of

- (1) grouping existing and potential visitors with similar preferences into groups called market segments,
- (2) selecting the most promising segments as target markets, and
- (3) designing marketing mixes that satisfy the special needs, desires, and behaviors of the target markets.

Sustainable tourists may be grouped into at least 4 different categories, each with different goals, desires, and philosophies. (These categories apply widely in North America. Other nations may have additional categories.)

1. **Ecotourism** - travel to appreciate and learn about wild environments. Ecotourists seek to increase their knowledge about the natural environment. Typical activities are nature tours, short hikes with guides knowledgeable in flora and fauna, bird watching, whale watching, and other wildlife viewing. Ecotourists are personal and reflective. They actively seek guides or other people who help the ecotourist to find, observe, and understand wild nature. They demand guides that are extremely knowledgeable. Other travelers who make the trip cost-efficient are tolerated. Ecotourism is primarily concerned with an individual search for learning and for the associated personal development, and no specific level of social contact is required to make the experience worthwhile. Ecotourists are of all ages, though many tend to be older, and both sexes participate equally. High levels of formal education, and the associated income levels, are influencing factors for those of mature ages.

2. **Wilderness travel** - Primitive travel through wild, natural environments that are devoid of human disturbance. Typical activities are overnight hiking trips and canoeing. Wilderness enthusiasts like solitude, often with a small group of friends. Large groups are intensely disliked. Where possible, wilderness enthusiasts prefer to hike without guides. Wilderness enthusiasts are predominantly young males with high education and moderately high incomes. Because there is strong and continuous dedication to the activity, the average wilderness user has high levels of previous experience

3. **Adventure travel** - Dangerous or exciting sports pursued in natural environments for the sake of personal accomplishment. Typical activities include mountain climbing, white-water rafting, and deep-sea diving. These activities are intensely social and usually pursued in large groups. Adventure travelers, like wilderness travelers, tend to be young and male, but adventure travelers are more social.



4. **Car camping** - Safe family travel in attractive campgrounds, at the interface between the wild and the civilized. Car campers are intensely social and like to have family and friends around. Car campers are of all ages. Both sexes participate equally. All income levels are represented, except for the poor. Car campers, once they have found their favorite spot, return frequently.

Attracting the Older Tourist

The changing population demographics, both in North America and in Northern Europe, will have profound implications for sustainable tourism. The median age of the population is increasing as the large baby boom generation moves into late career and retirement ages. Age is an important factor in recreation participation. As people age, active, dangerous recreational activities become less attractive, while appreciative and passive outdoor recreational activities are more attractive. Facility-based (skating, skiing, swimming in pools), snow-based recreation (skiing, sledding), and recreational sports (waterskiing, climbing) will decline in participation as the tourist market ages. Conversely, participation in bird watching, pleasure walking, pleasure driving, and sightseeing will increase (Foot 1990). Ecotourism will benefit the most from the demographic changes. It is attractive to older citizens and is well designed to handle their needs. Older people are not willing or able to be involved in strenuous and dangerous activities to the same extent as younger people. If increases in services levels designed specifically for the senior market and changes in accommodations are undertaken, the older person demand can be captured.

The Sage Group (1993) and Tourism Research Group (1990) report that "The environment is a high priority with people of all ages, worldwide." With adults over the age of 65 in Canada, the top three travel interests are history and culture (85 percent), environment (82 percent), and outdoors (70 percent). For a similar U.S. population, the highest levels of travel interest are history and culture (100 percent), environment (95 percent), and outdoors (75 percent). Older Germans say that outstanding scenery is the number one factor influencing their choice of overseas vacation destinations. In a different survey approach, older Japanese reported that nature and environment are the top reasons for visiting Canada. Older people in France and Britain reported that Canada was high on their list of potential destinations because of national parks, outstanding scenery, and interesting wildlife. Clearly, the older adult nature travel market is large, and the associated tourism market may be underdeveloped. Tourism Canada is moving aggressively to help Canada take advantage of the older traveler market for learning about nature (Randolph Group 1994).

Excerpted from:

Understanding the market for sustainable tourism, Paul F. J. Eagles, 1995.



Market Demand (Tourist) Inventory

Demographic Profiles:

What is the age range, gender, education level, country of origin, and nationality of the visitors?

Who is already traveling to the destination?

How many are visiting foreign residents and how many are tourists?

Purpose of Trips:

Have the visitors come for business or leisure?

Are they visiting friends and family?

Have they come for educational or volunteer purposes?

Why are they traveling to the focus area?

Travel Motivations:

What psychological, physical, emotional, and professional needs are visitors seeking to fulfill while on their vacation?

What sites are they visiting during their stay?

Experiences and Knowledge Being Sought:

Are they interested in gaining a deeper understanding of the wildlife, the local culture, or local history?

What attractions are they coming to experience?

What are they planning to do during their visit?

Services Purchased:

What kind of tours and packages are they buying and from whom?

Do they purchase their tickets internationally or locally?

What other services are they using? Are they satisfied with the services they are purchasing?

Who is benefiting most from the revenue of these purchases?

How much do they generally spend?



How many tourists are staying in the focus area as opposed to those just stopping by?

Travel Behavior:

What are the travel party sizes?

Have the visitors been to the destination before?

How much money have they spent at the destination?

What information/reservation method did they use?

What types of transportation did they use to get to the destination and once at the destination?

How many are “touring” and how many are just going to the destination?

Overall Satisfaction:

Is the destination meeting visitor needs?

Are they gaining the experiences and knowledge they seek?

Are these being delivered in the way they want?

Are services meeting their needs and expectations?

What are the potential gaps and opportunities for meeting visitor needs and wants?

By answering the questions outlined above, the team should have an adequate idea about the tourists traveling to the destination. Gaining an in-depth understanding of who is visiting will give the team an idea about which tourist market(s) would typically like to visit the area, which areas/countries they originate from, and most importantly, what additional services and activities that the destination could provide.

Keep in mind the size of the potential tourism markets will influence the number of attractions, facilities and services that can be developed in a destination. The size of the market often depends on the flow of tourists in or near the destination. If the destination is near a major attraction, such as a national park or an established tourism destination, the potential size of the market is likely to be larger. Or, if it is near a large urban area or the interstate highway system, the potential market also will be greater. Sometimes festivals or other attractions can serve as a magnet for tourism development, even when there is not a natural tourism flow near the community.



MARKETING & REVENUE

MODULE 6

Handout 6.3

Thank you for participating in our visitor survey. Our team of consultants and local participants will consider your responses as we assess the potential for ecotourism development in this area. Please be assured that your responses will be held in confidence. Note that only visitors to this area should fill out this form, not residents.

1. Is this your first time visiting? ☐ yes ☐ no
2. If you answered no to question #1, how many times, in total, have you visited this area? _____
3. Are you traveling: ☐ alone ☐ as a couple ☐ with friends ☐ with family
4. How many people are in your travel party? _____
5. In which country do you permanently reside? _____
6. What was your primary reason for visiting this area? (please choose one)
☐ leisure ☐ business ☐ visiting friends and relatives ☐ other _____
☐ education, short-term (less than 1 year) ☐ volunteerism, short-term (less than 1 year)
7. How long will you be visiting this area? (please choose one)
☐ for the day ☐ 2-4 days ☐ 5-10 days ☐ 11-20 days ☐ more than 21 days
8. How did you hear about this area? (please choose one)
☐ radio ☐ television ☐ newspaper ☐ magazine ☐ Internet
☐ travel brochure ☐ tour operator ☐ word of mouth
9. What was your main mode of transportation to this area? (please choose one)
☐ personal/rented car ☐ airplane ☐ tour bus/vehicle ☐ boat
☐ taxi ☐ other, please specify _____
10. How important were the following factors in your decision to visit the area?
 (Please circle the number of the answer that represents your evaluation of each factor).

Factors	Very important	Important	Not very important	Not important at all
Good weather conditions	4	3	2	1
Quality of natural scenery & landscapes/environment	4	3	2	1
Opportunity to see wildlife	4	3	2	1
Visits to parks and other pristine natural areas	4	3	2	1
Opportunity to stay in pristine natural environment	4	3	2	1
Desire to learn about other cultures, their ways of life & heritage	4	3	2	1
Participation in major cultural or religious events	4	3	2	1
Opportunity to visit an indigenous or traditional community	4	3	2	1
Opportunities to experience traditional ways of life	4	3	2	1
Opportunities for learning about and experiencing natural and cultural attractions	4	3	2	1
Opportunities for adventure/sports activities	4	3	2	1
Good prices for quality received	4	3	2	1
Good local transportation system	4	3	2	1
Recommendations from a friend/book	4	3	2	1
Facilities for children	4	3	2	1
Accessibility	4	3	2	1
Safety	4	3	2	1
Interest in business investment in visited area	4	3	2	1

11. What activities have you been doing or will you be doing while in this area? (please check all that apply)
☐ hiking/trekking ☐ wildlife viewing ☐ biking ☐ visiting indigenous populations
☐ swimming ☐ visiting villages ☐ visiting small towns or villages
☐ visiting historical places ☐ cultural heritage sights ☐ visiting national parks
☐ climbing ☐ attending art or music performances (i.e. dancing, drumming, singing, craft demonstrations)



12. How would you evaluate the following aspects of your stay in the area?
(Please circle the number of the answer that represents your evaluation of each factor)

Products, Services & Hospitality	Excellent	Good	Bad	Very bad	N/A
Services at the airport	4	3	2	1	0
Maintenance and convenience of the airport	4	3	2	1	0
Personal safety	4	3	2	1	0
Friendliness of the people	4	3	2	1	0
Explanation and convenience of the customs	4	3	2	1	0
National cuisine/drinks	4	3	2	1	0
Accessibility to cultural heritage sites	4	3	2	1	0
Interpretation of cultural heritage sites	4	3	2	1	0
Access to wildlife/plant life viewing	4	3	2	1	0
Interpretation of wildlife/plant life	4	3	2	1	0
Diversity of athletic activities	4	3	2	1	0
Equipment for athletic activities	4	3	2	1	0
Visitor centers	4	3	2	1	0
Organized excursions	4	3	2	1	0
Degree of knowledge of foreign languages from the service personnel	4	3	2	1	0
Helpful police services	4	3	2	1	0
Weather	4	3	2	1	0
Facilities for children	4	3	2	1	0
Shopping opportunities	4	3	2	1	0
Telecommunications	4	3	2	1	0
Convenience and access to local transport	4	3	2	1	0

13. Would you recommend that a friend of yours visit this area? ☐ yes ☐ no

Why or why not? _____

14. Approximately how much money did you spend during this visit to the area? Please answer with only the amounts that you/spouse paid for. Also, please respond using the currency with which you paid. (i.e. dollars, pounds, euros, etc.)

Transportation

Airfare

Local

Restaurants/meals

Activities

Shopping

Entertainment

Lodging

Other

TOTAL: _____

15. Please check the box which is closest to your annual income: (the spaces must be filled in by the **Assessment Team** according to the local salary range and currency)

1. ☐ _____ to _____

2. ☐ _____ to _____

3. ☐ _____ to _____

4. ☐ _____ to _____

16. Your approximate age:

1. ☐ less than 25 years

2. ☐ between 26 and 35 years

3. ☐ between 36 and 45 years

4. ☐ between 46 and 55 years

5. ☐ between 56 and 65 years

6. ☐ over 65 years

17. Please check one: ☐ male ☐ female

18. What is your profession? _____

19. What is the highest level of education that you completed?

☐ Grade School

☐ High School

☐ Vocational/ Trade School

☐ College

☐ Post-Graduate



Results of Visitor Survey in Port Barton, Palawan

Sample size: 23; Average age: 34 years; 19–73 years of age; 56% female

Duration of stay: Average stay in the Philippines was 3.5 weeks; average stay on Palawan Island 12 days; average stay in Port Barton 4 days

Access: 70% came by boat with an average cost of PhP600 per person (one-way); others came by land from Puerto Princesa City

Activities in the order of frequency: relaxation, snorkeling, island hopping, sightseeing, scuba diving, hiking and swimming

Accommodation and price: 50% said price was a primary factor in their choice of resort; average lodging was PhP260 (US\$6.50) per person per night; spent average of PhP670 (US\$17) per person per day

Type of visitor: 70% scuba divers and snorkelers

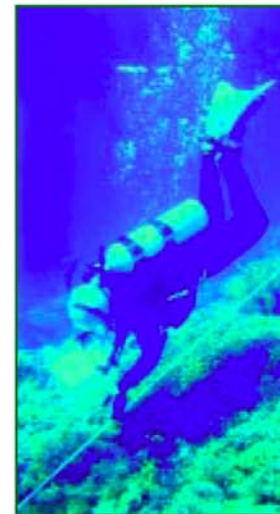
Willingness to pay for conservation: All willing to contribute an average of PhP120 (US\$3) per person as user fee to a marine sanctuary; 78% would contribute an average of PhP150 (US\$3.75) to an environmental fund; 60% said there was a need for an information center in Port Barton

Perceived problems: 50% felt there were environmental problems in Port Barton; complaints in order of importance: litter on the beach, deforestation, coral damage, forest fires and noise

Perceived attractions: most enjoyable reasons for coming: snorkeling, the local people, sightseeing, island hopping, the beach, relaxed atmosphere and swimming

How to improve Port Barton: Most common answers were related to maintaining the cleanliness of the area, followed by "Don't change anything, Port Barton is beautiful." Other suggestions related to improving transportation, the roads and accommodations

Most needed to protect the area: Mooring buoys at frequented reefs and for boatmen to avoid anchor damage on the reefs; education regarding coral ecosystems and putting up informational signs about corals at strategic locations; preserving the natural surroundings of the area; keeping the area small and simple to preserve its character thus preferring few vehicles and no large-scale developments or hotels



Source: Arquiza (1999)



Sustainable Certification Criteria

CODE	CRITERIA
10101	Water consumption is periodically measured and meter reading records are kept.
10102	There are written plans, with water usage and consumption reduction goals.
10103	Measures are taken to save water (for drinking, irrigation, swimming pools, etc.); when applicable, devices are installed to use water efficiently.
10104	Policies and measures to save water and use it efficiently are deployed to customers, employees, and owners.
10201	Energy consumption is periodically measured and meter reading records are kept.
10202	There are written plans, with energy usage and consumption reduction goals.
10205	Renewable energy sources are used, when applicable.
10207	Measures are taken to make the best use of natural lighting.
10208	Turning off equipment and lights when not in use is encouraged, through either communication or special devices.
10209	Equipment and devices are in place to use energy efficiently.
10210	When applicable, high performance and efficient vehicles (i.e., four-stroke boat motors) are used.
10211	Measures are adopted to prevent or minimize heat or cold losses in areas with room heating or air conditioning.
10301	Endangered species, or products thereof, or items stemming from unsustainable practices are not consumed, sold, traded, or displayed.
10302	No captive wildlife is kept, except for wildlife breeding farms, rescue or reintroduction, according to law and best practices.
10304	Artificial feeding of wildlife is prevented, except when it is done by sowing host or food plants.
10305	Measures are taken to prevent company noise and lighting from having an impact on wildlife.
10306	In sensitive areas, measures are taken to prevent pest and exotic species introduction.
10401	The company joins or supports conservation and management of some state-owned or private natural area located within company influence zone.
10601	Specific waste sorting actions have been identified and implemented.
10602	There is a program to minimize procurement of waste-producing inputs
10603	Waste of any kind is sorted to be reused or recycled, and its final disposal is verified, including construction waste.
10605	Company organic waste is used in some management program, such as composting, fertilizer manufacturing, mulching, farm animal feed, and others
10606	The company supports and joins recycling programs, if any.
10701	Both toilet and soapy wastewater are managed in such a way they do not affect public health nor pollute.
10703	No bodies of water are polluted with toxic, hazardous, or eutrophivating products.
10704	Properly treated wastewater or effluents are reused, when feasible (for instance, in irrigation, cleaning, or other).
10705	Measures have been implemented for storm water adequate channeling, use, and disposal.
10706	Measures are adopted to minimize gas, pollutant spray, and strong odor emissions, as well as unpleasant noises.



CODE	CRITERIA
10707	The soil is not polluted with oil derivatives or persistent toxic compounds.
10708	Biodegradable and non-eutrophication cleaning and cosmetic products are used.
10801	Specific actions are taken on environmental education and other issues focusing on neighboring communities, customers, employees, and owners.
10802	Environmental education programs (committees, groups) existing in the area are supported, or their creation is encouraged.
10803	Responsible behavior is encouraged among visitors.
10804	Visitors are provided with information about the protected areas they are about to visit.
10805	Visitors are provided with information about nearby protected areas, and they are encouraged to visit them.
10806	Visitors are provided with information on native wildlife and plant species found in the area.
10807	Visitors are informed about water conservation and rational use practices, and they are encouraged to help.
10808	Visitors are informed about adequate waste management practices, and they are encouraged to help.
10809	Signs are posted to guide and educate both customers and employees.
10810	Visitors are informed about energy conservation and rational use practices, and they are encouraged to help.
20101	Neighboring community cultural, sports, and recreational activities are supported and disseminated, with stakeholders' prior consent.
20102	Visiting local businesses and communities is encouraged, when they wish it.
20201	The company joins or supports neighboring community development initiatives, with stakeholders' prior consent.
20202	Products and services from micro, small and medium local businesses are used, particularly sustainable ones.
20203	Local staff hiring and training is promoted, at all levels in the company.
20205	Making and selling handicrafts and other local products is encouraged.
20206	The company should have a widely known and feasible contingency plan that includes communities.
20302	No selling, trading, or displaying of archaeological pieces/objects should be allowed, unless the corresponding permits are obtained (in the case of displaying them).
20401	Specific measures are adopted to promote an understanding and respect of indigenous cultures and customs.
20405	Provision of basic services to neighboring communities is not to be jeopardized.
20406	Policies against sexual commercial exploitation, particularly of children and adolescents, are followed and deployed.
30101	A sustainability policy addressing environmental, socioeconomic, and service quality issues is in place.
30102	Environmental policy is made known to customers, employees, and owners.
30104	No social, gender, or racial discrimination of any kind is practiced or supported.
30106	The company has an ethical code for directors, customers, and employees, and behaves accordingly.
30107	The company has and implements a business plan that is suitable to its reality/scale, including environmental, sociocultural, and financial issues.
30204	There are programs and mechanisms in place to favor participatory approaches in managing and operating the business.
30301	The company complies with labor laws (both domestic and international) and social rights.



CODE	CRITERIA
30302	The company complies with environmental laws, standards, and regulations.
30303	The company complies with laws, standards, and regulations concerning the protection of site historical and cultural heritage.
30401	Regardless of service category, facilities are kept in perfect sanitation and cleaning conditions.
30402	Group size is appropriate and group members respect visited site regulations.
30403	There is a preventive maintenance program in place for all facilities, vehicles, and equipments.
30404	The necessary measures are adopted to ensure product and service quality.
30501	Clear, complete, and truthful information is given about provided product and service conditions.
30502	Promotional materials are truthful and do not promise more than can be reasonably expected by customers.
30503	Customers are provided with information on the site's history, culture, and natural environment.
30601	Policies are in place, and specific actions are implemented, regarding staff training on environmental issues related to company operations.
30602	Policies are in place, and specific actions are implemented, regarding staff training on sociocultural issues related to company operations.
30603	Policies are in place, and specific actions are implemented, regarding staff training on the company's quality system, and on operating issues.
30604	Policies are in place, and specific actions are implemented, regarding staff training on emergency response.
30701	Buildings are designed at the right scale and respecting the landscape.
30702	When applicable, facilities for people with special needs should be built.
30705	Environmentally-friendly building materials and techniques are used.
30801	Health and safety conditions required by employees, guests, and neighbors are provided.
30802	All measures needed to ensure customer safety during their tourist and recreational activities are taken.
30803	A contingency plan for environmental emergencies is in place.
30804	A contingency plan for health and safety emergencies is in place.
30805	Visitors are provided with information on the safety measures they should take while on the premises.
30807	Insurance policies and other customer and staff protection instruments are in place.
30809	Water used for human consumption, including ice, is demonstrably safe.
30813	Insect and rodent control is biological and environmentally friendly.
30814	There is a food handling program in line with best manufacturing practices.
30902	The company has a policy of favoring certified suppliers or suppliers following best environmental and social practices.
30903	Environmentally-friendly supplies are purchased, such as recycled or nontraditional paper, organic food, certified wood, and others.
31001	There is a record-keeping program or plan to identify and monitor (environmental and social) impacts generated by company operations.
31002	There is a mechanism to receive customer inputs, complaints, and comments, in addition to keeping a record of such inputs and their corresponding corrective actions.
31003	Both corrective and preventive management actions needed to ensure continuous improvement are monitored and critically analyzed.

Source: Sustainable Tourism Certification Network of the Americas. 2005. Notes from the 3rd Meeting of STCNA, September 2005, pp 38-40. URL: <http://www.rainforestalliance.org/programs/tourism/certification/network-of-americas.html>



CASE STUDY

SmartVoyager, Galapagos

SmartVoyager is a certification program designed to minimize the impact of tour boats in the Galapagos Islands. Operators that meet the programs standards are certified and may use the "SmartVoyager" label in marketing their services. SmartVoyager standards were designed in collaboration with scientists, conservation experts and tour operators, and cover a host of environmental and social concerns. SmartVoyager certification was launched in May 2000 and, in its first year, five boats were certified after assessment by C&D auditors. The largest boat carries 100 passengers, one is midsize (48), and the other three are small (20 each).

Most small boat operators showed little interest at first in becoming certified. Small boats are usually individually owned and family operated. As with most small enterprises, they have limited funds for upgrading equipment and little interest in changing procedures. The perception was that SmartVoyager standards were complex and rigorous, and that while certification might be worthwhile for large firms, it was neither achievable nor affordable for small, family-owned operations. In addition, small boat operators have faced a decline in tourism since 9-11-2001.

With support from the World Bank-financed International Trade and Integration Project, C&D and RA were able to test the applicability of the SmartVoyager standards to small boats. Through an intensive outreach effort, small boat operators were made aware of the challenges and opportunities afforded by SmartVoyager certification and how they could participate in reviewing the standards. A cross-section of small boat operators determined that 93 percent of the original requirements are applicable to all boats regardless of size. The remaining 7 percent did not apply mainly due to differences in the way large and small operators purchase and store supplies, and availability of space for desalination systems and holding tanks. These standards were then revised so that they could be applied to small boats.

This outreach effort enabled the small boat operators to learn what the standards required; how to comply with the requirements; and, most importantly, why the requirements were included in the standards. After this training and motivation, a number of boat operators began to implement practices specified in the standards. C&D auditors assessed 34 small boats, and 24 were found to comply with all applicable technical requirements. Six of these have been formally certified. Of the remaining 18, eight have the resources to upgrade equipment and can be certified after additional training and technical assistance in such areas as documenting their environmental policies and performing internal audits. The remaining ten small operators lack the funds to replace and upgrade equipment that does not comply with SmartVoyager requirements. Examples include replacing air conditioners and refrigerators using CFCs, replacing twostroke outboards with four-stroke models, and installing noise-abatement systems on propulsion and generator engines.

It is expected that, as market recognition of SmartVoyager certification continues to grow, its competitive value will be broadly demonstrated and help stimulate access to credit to enable the remaining small boats and many mid-size boats to make the capital improvements needed to implement the standards and achieve certification.

Results and lessons to date

The initial small boat certification initiative was achieved in 14 months with an investment of less than \$66,000 and has yielded a number of accomplishments. This modest effort has already yielded significant return on investment (ROI) in protecting natural and human capital and the competitiveness of Ecuador's tourism industry. Local auditors have been trained.

Boat operators now understand to a far greater degree the impact of their boats and practices on



the delicate environment of the Galapagos, and what they need to do to maintain biodiversity and protect the environment. Local boat operators have been familiarized with the goals and methods of setting standards and verifying compliance, misunderstandings have been clarified and interest in the program fostered. There has been widespread acceptance that SmartVoyager standards are appropriate guidelines for improving performance and becoming environmentally and socially responsible. Designers of new boats are applying the standards in their design process. And with peer pressure and competition from certified operators, other boat operators are being motivated to ask for training and technical assistance so they too can comply with the standards and secure SmartVoyager certification. If funding for such assistance becomes available, a much larger portion of the fleet will be certified.

Finally, the SmartVoyager certification program has been promoted widely throughout the international tourism industry, enhancing Ecuador's reputation and the competitiveness of its tourism sector. Other segments of Ecuador's tourism sector see the SmartVoyager program as a model for their operations and for engaging small enterprises in environmental initiatives.

Some of the lessons from the initial implementation of the program include (1) small businesses need to be brought in to an initiative right from the beginning in order to gain acceptance and support; (2) all parties who benefit should share in the costs including tourists, tour operators and the national park; and (3) certification appears to be commercially advantageous enough to an enterprise to be self-supporting once its benefits are demonstrated.

Excerpted from:

Valdivieso, Jose, Bob Toth, James Hanna, and Juan Quintero. Ecuador: Fostering environmentally sustainable tourism and small business innovation and growth in the Galapagos. World Bank newsletter "En Breve", June 2003, No. 6

SmartVoyager Certification Criteria:

Company Policy : the Company must have a management policy that includes compliance with national legislation, international agreements as well as Smart Voyager Standards

Conservation of Natural Ecosystems: the tourist operation must support and promote conservation in the Galapagos National Park and the Marine Reserve

Lowering the Risk of Introduction and Dispersal of Exotic Species: the tourist operation must prevent the introduction of species from the continent to the islands and the dispersal of species between islands

Just and Proper Treatment of Workers: the tourist operation must improve the socioeconomic welfare and quality of life of workers and their families

Employee Training: all personnel involved with the tourist operation must receive environmental education and training

Community Relations and Local Welfare: the Company must make a commitment to the welfare and socioeconomic development of the Galapagos Islands community

Strict Control of Use, Supply and Storage of Materials: boat operators must plan and control the consumption, supply and storage of materials, taking into consideration the well-being of tourists, workers, local communities and the conservation of natural ecosystems

Integrated Waste Management: boats must follow a waste management plan, including the reduction, reuse, recycling and adequate final treatment and disposal of all wastes

Commitment on the Part of the Tourist: tourists must be guided in their involvement in protecting natural resources and local cultures, tread lightly and collaborate with the island conservation programs

Safety: the Smart Voyager Program does not guarantee safety but certified boats must adhere to international safety standards and have all the appropriate licenses and approvals

Planning and Monitoring: tourism operations must be planned, monitored and evaluated, taking into consideration technical, economic, social, and environmental factors.



Source: Rainforest Alliance

Visitor Donations at the Islas del Golfo Reserve, Mexico



Tourism Based Income Generation Case Study Series

June, 2005



Acknowledgements

The authors wish to thank Gabriela Anaya, Marianne Kleiberg, Roberto López, and Edgar Amador and for their generous contributions. Also Dr. Kreg Lindberg of the University of Oregon for his help with the design and analysis of the price responsiveness research.

Cover Photograph: Isla Lobos, Espíritu Santo, Mexico, Andy Drumm

This publication was made possible, in part, through support provided by the Office LAC/RSD, Bureau for Latin America and the Caribbean, U.S. Agency for International Development, under terms of Grant No. EDG-A-00-01-00023-00 for the Parks in peril program. The opinions expressed herein are those of the authors and do not necessarily reflect the views of the U.S. Agency for International Development. This publication was also made possible, in part, thanks to the vision, trust, and support of the Alex C. Walker Foundation.

For further information on the Conservancy's ecotourism activities or to provide feedback, please contact:

The Ecotourism Program
The Nature Conservancy Worldwide Office
4245 North Fairfax Drive
Arlington, VA 22203 USA
Phone: 703-841-8177
Fax: 703-841-4880
Email: ecotourism@tnc.org

*The mission of The Nature Conservancy
is to preserve the plants, animals and natural communities
that represent the diversity of life on Earth
by protecting the lands and waters they need to survive.*

Contents Page

I. Executive Summary 2

II. Introduction 3

III. Background 4

IV. Design Phase 8

V. Implementation Phase and Results 12

VI. Key Successes 16

VII. Recommendations 17

VIII. References 18

IX. Appendix 20

I. Executive Summary

This report evaluates a pilot project designed to raise income through visitor donations for the conservation of a network of six natural protected areas in Southern Baja California, Mexico. The report examines the design, implementation, and results from year one of the project and presents recommendations for future work.

The pilot project took place at the “Islas del Golfo de California” National Flora and Fauna Reserve which receives approximately 25,000 visitors annually who participate in scuba diving, snorkeling, kayaking, and camping. To determine the most effective design for generating income for conservation at the site, a visitor price-responsiveness survey was conducted, the costs of managing tourism were assessed, and consultations were held with stakeholders.

The design phase identified a visitor donation mechanism as the best option to generate income from tourism to complement the minimal entrance fees. Three strategies were proposed: 1) collecting donations through local hotels from their guests 2) offering voluntary dive/whale watching tags to visitors through tour operators and 3) a “Friends of Wild Baja” membership program to encourage and facilitate additional donations. A fund was created called FOSANP (Fondo Sudcaliforniano para las Areas Naturales Protegidas) to receive and manage the income that was generated. A local Conservancy partner and conservation NGO, Niparajá, was selected to administer the fund.

Although during the first year of implementation less revenue was collected than expected, from an organizational perspective the fund achieved important advances in becoming established as a long-term source of income for conservation. A board of directors consisting of key stakeholders including protected area managers, tour operators, academics, and NGOs was successfully recruited to supervise the fund. The fund also produced informational materials along with a program web site to educate visitors about the conservation value of the protected areas and to promote the program’s activities. In addition, the fund established relationships with hotels and tour operators that have resulted in the collection of donations and the identification of ways to improve the income generation mechanisms that were selected.

In the future, FOSANP should consider changing its hotel donation program to one that automatically collects a small fee instead of soliciting donations from each guest individually. The fund would also benefit from receiving support from a local tourism consultant to develop stronger strategic alliances with tour operators for improving the dive/whale watching tag mechanism and to further develop support from cruise line operators. To increase donations through the “Friends of Wild Baja” membership program, FOSANP should provide training to guides to enable them to better promote the program to encourage donations from their customers. The fund should also begin the process of expanding the use of these income generating strategies to the other targeted protected areas of the Southern Baja California network.

II. Introduction

The Importance of Generating Income from Tourism for Conservation

Visitation to natural protected areas is increasing rapidly in many countries around the world. This rising tourism tide is exceeding the capacity of many protected areas. As a result, tourism is increasingly being identified as a threat to biodiversity. To avoid the loss of valuable biodiversity through tourism related pressures, and in order to access the benefits that tourism can generate for protected areas, it is essential that protected areas have sufficient capacity in terms of infrastructure, personnel and management systems in place.

In many developing countries, park systems have not been able to finance the investments necessary to install this capacity at areas facing pressure from visitation. Furthermore, many have not yet implemented a comprehensive system of tourism-based income generation mechanisms to at least cover the costs that visitation creates for protected areas. Consequently they are foregoing a significant source of income which could contribute to much-needed investments resulting in:

- Improved protected area management capacity
- Reduced threat to biodiversity
- Better quality visitor experience
- Greater investment in sustainable development opportunities for local communities
- Higher national and international profile of protected areas
- More employment opportunities for local people
- Enhanced environmental education function

Given the growing tourist demand for access to protected natural areas, it is increasingly important that adequate financial mechanisms be implemented to ensure that tourism and recreation contribute to biodiversity conservation. For many parks, tourism has the potential to be a significant contributor to its financial sustainability. However, the value of recreation opportunities provided by parks is typically under-priced or inefficiently administered.

The Tourism Based Income Generation Initiative

With NGO and government park service partners around the world, The Nature Conservancy (TNC) identified the need for broader applications of appropriate income generating mechanisms at protected areas as a key strategy for supporting biodiversity conservation.

Three sites were selected from thirty applicants from within our network to participate in the Conservancy's Tourism Based Income Generation Initiative, which was developed in the year 2000 with financial support from the Alex C. Walker Foundation and the USAID/TNC Parks in Peril Program.

The selected sites were:

- Eduardo Avaroa Reserve, Bolivia
- Gladden Spit Marine Reserve, Belize
- Islas del Golfo, Baja California, Mexico

As a first step, a review of tourism income generation mechanisms in use around the Americas was carried out (Benitez, 2001; Brown, 2001) to evaluate how and which fee mechanisms are used. Then at each selected site, an analysis of visitation and of the tourism management structure including its capacity and legal context was carried out.

Evaluations of these pilot implementation processes have generated valuable lessons for application at other sites across their national systems and in other countries. Price responsiveness studies, including contingent valuation and contingent behavior studies, were carried out to assist in determining the appropriate fee levels and mechanisms. Subsequently, a mechanism was identified for test applications at each site.

III. Background

The Conservation Significance of Baja California, Mexico

From a conservation perspective, Mexico's Baja California Peninsula and Gulf of California contain some of the most unique terrestrial and marine environments in the world. The stretch of sea has species representing one-third of Earth's marine mammals and samples of more than 80 percent of the aquatic mammals found in the Pacific Ocean. Approximately 800 species of fish are found in the Gulf. Only the Red Sea harbors more marine diversity, making the Gulf a global conservation priority (Hodgkins, 2003).

The Gulf of California also provides more than half the total of Mexican fisheries by volume. In addition, its rocky coasts and sea islands are home to hundreds of resident and migratory species. Meanwhile, the greatest long-term threat to the biodiversity of Baja and the gulf is that of unregulated tourism development. These projects have the potential to drastically impact the sustainability of these important coastal and island ecosystems, as well as the traditional livelihoods of the many coastal communities in Baja California.

The "Islas del Golfo de California" protected area where the project was first launched contains Isla Espiritu Santo, one of the most ecologically significant islands in the Sea of Cortez. Several animals on Isla Espiritu Santo are found nowhere else in the world, including the blacktailed jack rabbit, ground squirrel and two species of snake. The island is home to 53 regional endemic plant species. The waters surrounding the island support coral reefs, resident colonies of sea lions, and 500 species of fish.

Description of the Targeted Protected Areas

Due to the high conservation value of Baja as a whole and the rapid growth of tourism to the region, multiple protected areas were targeted in the income generating project at Baja. Beginning with a initial pilot at one of the sites, the plan was to start a program that could

eventually administer income generating mechanisms throughout the protected area system of Southern Baja California.

Figure 1 shows a map of the protected areas of Southern Baja California. The following is a list of the six protected areas included in the program as described in the program's brochure (FOSANP, 2004):

Cabo Pulmo National Park - The northernmost living coral reef in the Eastern Pacific and nesting ground for several species of sea turtles. Principal tourism activities include diving, wind surfing and sports fishing.

Cabo San Lucas Flora and Fauna Reserve - The merging point of the Pacific Ocean and the Gulf of California. Deep submarine canyons, sand falls and rocky reefs provide multiple habitats for an abundant marine life.

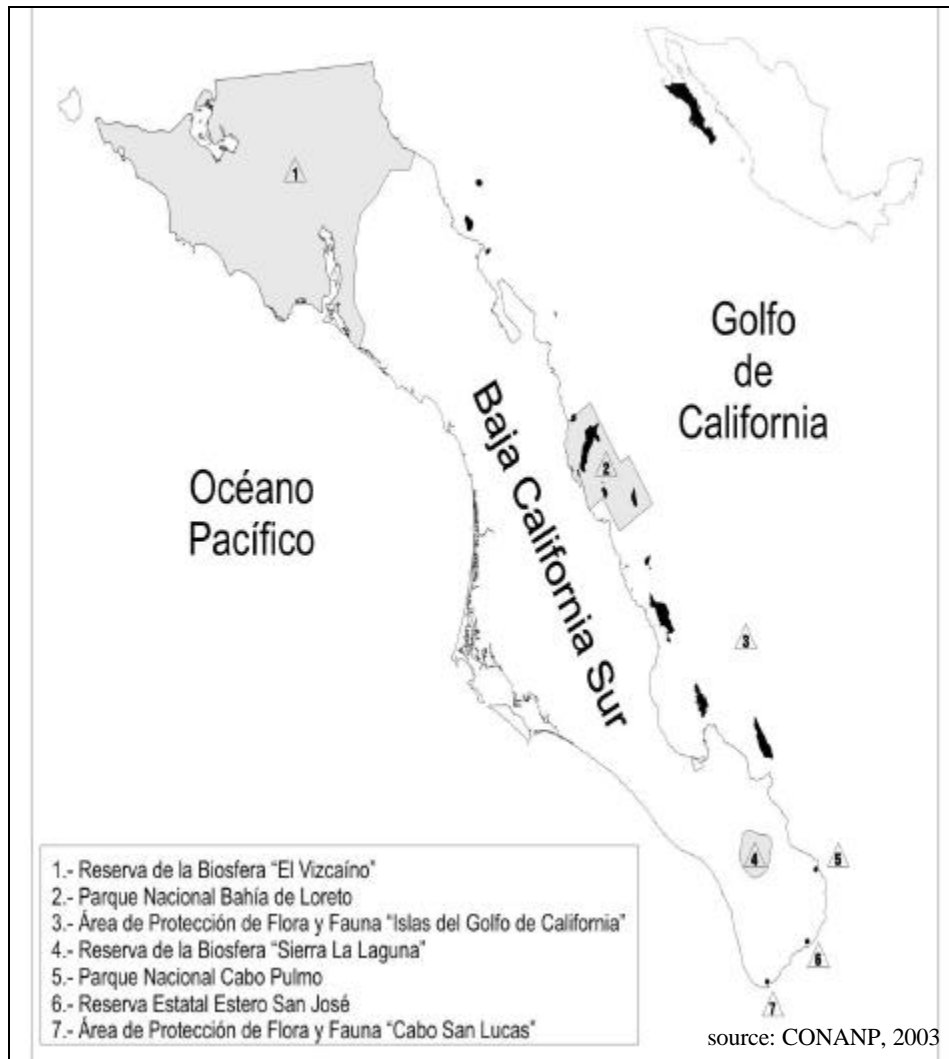


Figure 1: Map of the protected areas of Southern Baja California, Mexico

“El Vizcaino” Biosphere Reserve - Contains coastal lagoons which are important reproduction and wintering sites for the grey whale, California sea lion, northern elephant-seal and blue whale. The lagoons are also home to four species of marine turtles. Inland, it houses the largest trove of ancient rock art in the Americas. Principal tourism activities include include whale watching and visiting archaeological sites.

“Islas del Golfo de California” Flora and Fauna Reserve - Includes some of the world’s most ecologically intact islands. These islands provide nesting and breeding areas for numerous marine mammals and sea birds. Several endemic species of flora and fauna also inhabit the islands. The main tourism activities include camping, kayaking, diving and naturalist cruises.

Loreto Bay National Park - Harbors the greatest diversity of marine mammals in Mexico. Once the historic capital of the Californias, Loreto is today the region’s capital of colonial missions and sport fishing. Other tourism activities include camping, kayaking, diving and naturalist cruises.

“Sierra La Laguna” Biosphere Reserve - A huge natural reservoir for rare and unique species. The Reserve cotains high mountains with temperate pines forests, running rivers, unique desert vegetation and tropical woodlands. Principal tourism activities include camping and hiking.

Tourism Demand

Of the approximately 800,000 tourists who visited Southern Baja California in 2003, approximately 10% visited protected areas (CONANP, 2003). Figure 2 shows an overview of the visitor profile information for the respective protected area. Principal activities include camping, kayaking and diving. The majority of visitors come from the United States and Canada.

Name / Indicator	Islas del Golfo de California	Bahia de Loreto	Sierra La Laguna	Cabo Pulmo	Vizcaino
Approximate Number of Visitors/Year	25,000	34,490	4,000	6,000	22,500
Average Length of Stay	2.5 days	2.2 days	4 days	3 days	3 days
Principal Countries of Origin	USA, Canada Japan, Europe	USA, Canada	Mexico	USA, Canada	USA, Mexico
Principal Activities	Camping, kayaking, diving, naturalist cruises	Camping, kayaking, diving, naturalist cruises, sports fishing	Camping, hiking	Diving, wind surfing, sports fishing,	Whale watching, archaeological visits

source: CONANP, 2003.

Figure 2: Visitor profiles for the protected areas of Southern Baja California, Mexico

Islas del Golfo de California Pilot

The initial pilot for the Southern Baja California project was implemented at the “Islas del Golfo de California” protected area in the city of La Paz, the main access point for the reserve. The reserve was chosen due to the rapid growth of tourism and because of its proximity to the city of La Paz, where both the regional headquarters of the National Commission of Natural Protected Areas (CONANP) and the nonprofit Niparajá are located.

The primary tourism destination within the reserve is Espíritu Santo Island. A map showing the location of the island in relationship to city of La Paz is shown in Figure 3. The most popular tourism activity in the reserve is diving, as is shown in figure 4. Visitor primarily come from the US or Canada. A breakdown in the country of origins is shown in Figure 5.



Figure 3: Map of Isla de Espíritu Santo and the city of La Paz

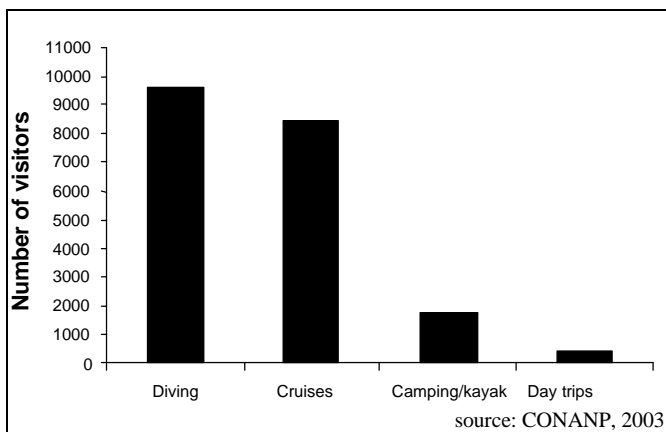


Figure 4: Principle tourism activities at Isla de Espíritu Santo

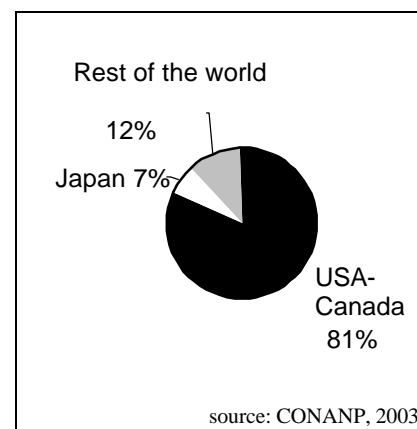


Figure 5: Country of origin for visitors to Isla de Espíritu Santo

The Mandatory Entry Fee Program

Visitors to Mexico’s protected areas pay a mandatory entry fee in order to visit the reserves. The fee program was established in 2002 at an initial rate of 104 pesos (about US\$10) per person per day. However, because this amount caused considerable disagreement among tour operators, the fee was not collected until the amount was adjusted to 20 pesos (about US\$2) in 2003. The fee level was set by the Instituto Nacional de Ecología (INE) which conducted a visitor survey, mainly in southern Mexico, prior to setting the amount (López, 2005).

Once the fee is paid, visitors receive a yellow wristband which they must wear while visiting the reserve (see Figure 6). Visitors pay the fee either to the tour operator who accompanies them to the reserve or directly to CONANP if they visit the reserve on their

own. Tour operators purchase the wristbands by depositing money into the appropriate federal account at the bank. Only independent visitors pay CONANP cash which is in turn deposited in the same federal account.



Figure 6: Visitors receive a wrist band as proof of payment of the reserve entrance fee (right). Tour operators buy the bands in bulk from CONANP (left).

The money first goes to the federal government. After a delay of approximately one month, the money is then transferred to CONANP. CONANP's policy is to return the money to the protected areas that generated the income or at least to the region where it was generated. Because the money generated by the Southern Baja California system is a comparatively small amount, the money is returned to the same protected area from which it was collected.

The fee system is the same throughout Mexico, with some variations depending on the circumstances of each region (López, 2005). However, it is unclear how the income generated by the fee relates to the actual costs to the protected area of managing tourism, or how closely the fee responds to visitor willingness to pay.

IV. Design Phase

In the design phase of the project, the following steps were used to determine the appropriate revenue generating mechanism, fee level, and method of implementation for the site.

- 1) Determine the fair market value of the fee level and structure
- 2) Assess the cost of tourism management at the site
- 3) Conduct a stakeholder analysis

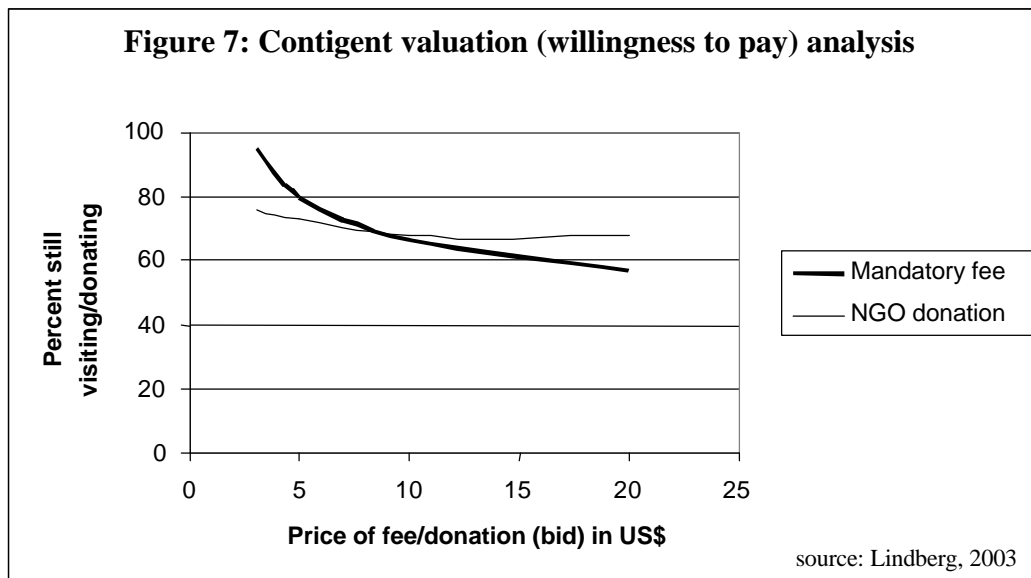
These steps are common to the process used at the other project sites in Belize and Bolivia. The objective of these steps was to meet the goals of the of the tourism user fee initiative, which include the following:

- Cost recovery, which involves generation of sufficient revenue to cover part or all of tourism's financial costs (e.g., construction and maintenance of a visitor center, signposting, impact monitoring).
- Generation of "profit," with the excess of revenue over cost being used to finance traditional conservation activities (at the destination or at other sites).
- Generation of local business opportunities, by the earmarking of fees to enhance site or experience quality.
- Provision of maximum opportunities for learning and appreciation of the natural resource, which may also involve low fees for nationals.
- Visitor management to reduce congestion and/or ecological damage, which would involve fees high enough to influence visitor behavior.

Below is a description of what occurred for each of the three steps of the design phase.

Step 1: Determine the Fair Market Value of the Fee Level and Structure

After the initial pilot site of the Baja project was selected, the first step in the methodology for designing the appropriate mechanism and fee level was to determine the fair market value of visiting the site. This was accomplished by



conducting a price-responsiveness survey at five protected areas across the Southern Baja region that have major tourism activity, including Loreto Bay, Islas del Golfo, Cabo Pulmo, Cabo San Lucas, and Vizcaino. A total of 311 individuals were surveyed from across the five sites.

Results from the pre-test survey summarized in the diagram above (Figure 7) indicated that the majority of visitors were willing to pay considerably more than the required \$2 fee. The diagram also shows that a voluntary donation program was the preferred means of contributing and could produce increased contributions. This preference should also be

interpreted with some caution, however, because due to the relatively small sample size the result was not statistically significant.

Donation program selected as a complement to the mandatory fee

During the design phase, it was determined that the mandatory \$2 per person per day entry fee was legally fixed at a national level. Therefore, an increase in the fee at the reserve, which was recommended at the pilot site in Bolivia, would not be possible without a change in national law. Yet because the price-responsiveness survey indicated that visitors were as willing to make a donation as they were to pay a mandatory fee, a visitor donation mechanism was chosen as an alternative means of generating additional income for the site.

Step 2: Assess the Cost of Tourism Management at the Site

The second step in the design process was to assess the cost of tourism management at the site. The recovery of tourism management costs is one of the key objectives of generating income from tourism for protected areas (Lindberg, 2001). If the tourism fees generated at a protected area do not at a minimum cover the costs of providing visitor access to the site, then tourism is actually producing a net loss for conservation given that tourism activities themselves also have conservation impacts.

Data on the costs of providing tourism services at Islas del Golfo was available from the park's 2001-2005 Financial Plan and from an analysis presented by the park director to the World Parks Congress in Durban, South Africa, in 2003 (Anaya, 2003). The analysis showed that 45% of the park's budget was spent on tourism related costs (see Figure 8 below). Costs included the implementation of the tourism management plan, enforcement of the code of ethics for visitor behavior, and training of tour operators in proper guide behavior (Anaya, 2000a; Anaya, 2000b)

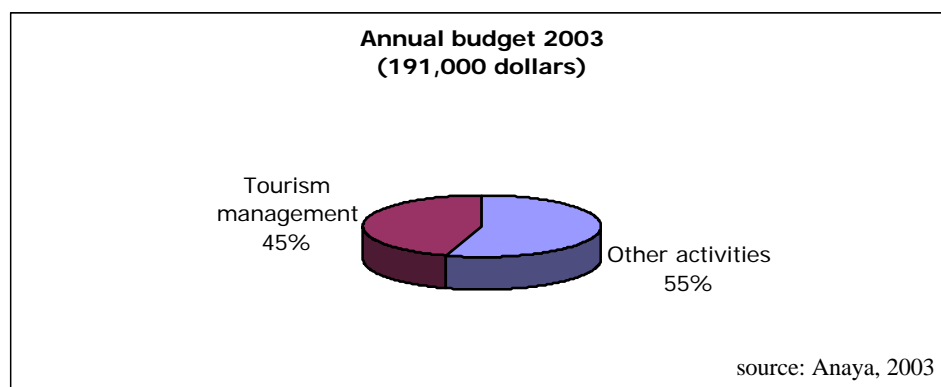
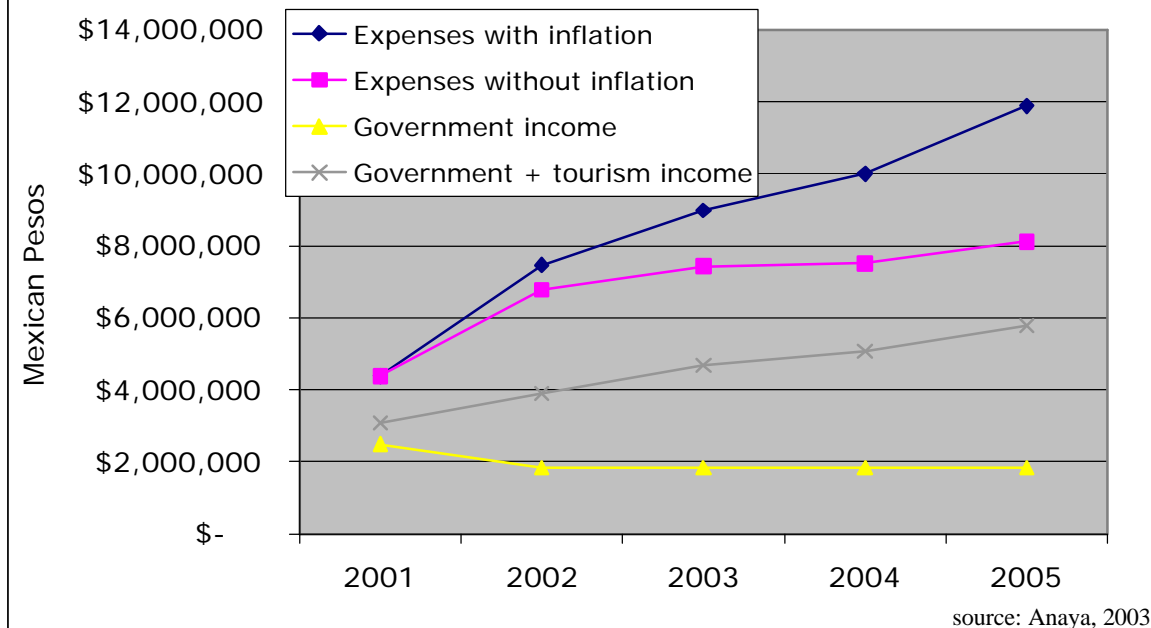


Figure 8: The distribution of the Islas del Golfo de California Reserve budget

Although the mandatory fee program provides revenue to the park for providing these services, the amount generated is insufficient to cover the costs. The analysis showed that in 2003, tourism income covered only 27% of the tourism management costs of the park. In addition, data from the 5 year Financial Plan summarized in the diagram below (see Figure 9) shows the gap between operating costs and total projected income increasing over time. To close this gap, either an increase in the mandatory fee or a voluntary donation program was needed.

Figure 9: Five year financial analysis for the Islas del Golfo de California Reserve



Step 3: Conduct the Stakeholder Consultation

Individual meetings were held with tourism sector representatives, including dive operators, kayak and camping operators, hotels, and cruise lines. In each meeting, the objectives of the program and the mechanisms for collecting revenue were presented. Feedback was actively sought and given.

In every case, the donation concept and mechanisms were met with enthusiasm. Some constructive criticism was provided. Most felt the program should invest in better patrolling and control of illegal activities at the reserve. Notes on the feedback from the different representatives are listed below.

Dive Operators

- Concerned that participation in the program might create price disadvantages in a highly price sensitive market.
- Important to be explicit about which activities the program will support
- Some concern about the transparency of the program and acceptance by local businessmen.
- Voluntary fees may be difficult to administer. Some would prefer a mandatory fee system to a voluntary one.
- Program brochures should be placed on inbound flights.
- No resistance from clients to paying current entrance fee and likely would pay more.

Cruise Lines

- Training during the existing CONANP guide training course should be provided for presenting Friends of Baja to cruise passengers.

Hotels

- Billing process does not facilitate EcoTariff.
- Expressed need for clearer information on which activities the program will support.
- Offered to place a box for receiving donations for Friends of Wild Baja.
- Ministry of finance rules could be problematic for collecting an eco-tariff. Implications would need to be reviewed by a tax accountant.

In addition to the feedback above, a study of the tourism sector of La Paz in 2002 found that 43% of tour operators interviewed would support paying a donation for conservation (López, 2002). While the study and feedback showed that support for the donation program was not universal, enough support existed to launch the program.

Funding the Baja California Pilot Program

Funding for initiating the pilot donation project at Southern Baja California was provided by the Alex C. Walker Foundation and the USAID/TNC Parks in Peril Program. These funds paid for the expenses of designing the pilot project, including background research, administering the price-responsiveness survey at 5 different protected area sites, and conducting stakeholder consultations. It also paid for the initial expenses of implementing the program, including producing the program's promotional/educational brochures and producing the key chains used in the dive/whale watching tag revenue generation mechanism described in the following section.

V. Implementation Phase and Results

This section describes the way in which the program was implemented. The program management, revenue mechanism, and results following the first year of the project are explained.

Program Management

Once a visitor donation program was selected during the design phase as the structure for the Baja pilot project, an organization had to be selected to run the program. Unlike the project sites in Bolivia in Belize where the entry fee was mandatory and administered by the park management, visitor donations had to be collected by an organization independent from the government.

One possibility that was explored was to integrate the program with the Gulf of California Conservation Fund (GCCF) which was being developed by the Fondo Mexicano and supported by Lindblad Expeditions. After initial conversations, however, it was determined this was not a good match since the focus of GCCF was on the Sea of Cortez and was not appropriate for targeting the specific protected areas selected for the program.

Instead, it was decided that the donation program should be managed by Niparajá, a Mexican nonprofit and conservation partner based in La Paz. A local structure would allow for more local participation in the decision making process which in turn would create more local support for conservation, and also more credibility and transparency.

To maintain the independence of the donation program from the rest of the organization, a separate fund was created within Niparajá in 2003 known as FOSANP (Fondo Sudcaliforniano para las Areas Naturales Protegidas) or Southern Baja California Protected Areas Fund. FOSANP was set up to have its own board of governors made up of representatives of the various stakeholders of Islas del Golfo including the Conservancy, Niparajá, CONANP and tour operators.

The decisions about how revenue would be allocated are made by the FOSANP board. Based on the objectives of supporting the urgent conservation need of Las Islas del Golfo reserve and maintaining the self-sufficiency of the donation program, the board agreed that the funds collected from donations would be distributed in the following fashion:

- 15% retained by Niparajá as overhead for administering the program
- 20% allocated as emergency funding for the reserve such as in providing much needed capital for boat repairs or other unexpected expenses
- 30% set aside for tourism related projects, such as signs for trails, communication campaigns or visitor brochures
- 35% for protected area management, such as to cover staffing expenses or park guard patrolling

Any changes to this allocation have to be approved by the FOSANP board. This requirement ensures the various stakeholder groups represented by the board have the opportunity to participate in the decision process. The multi-stakeholder process also serves to strengthen the credibility of the fund as an autonomous organization as well as to provide assurance of its transparency.

Income Generating Mechanisms

Three collection mechanisms were proposed as the most effective for generating revenue for Islas del Golfo through tourism donations following consultation with the key stakeholders.

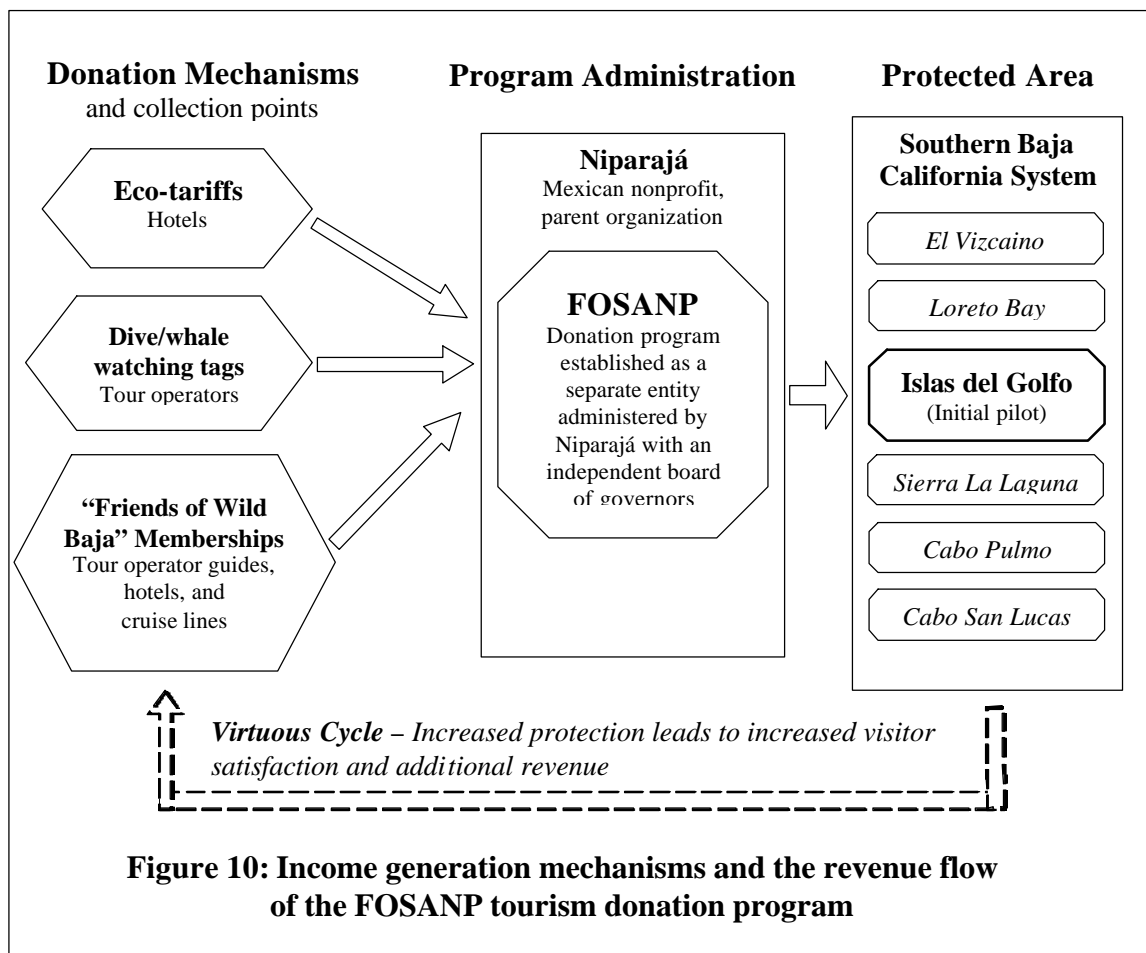
The selected revenue generating mechanisms were:

- Eco-tariffs at hotels
- Scuba dive/whale watching tags
- “Friends of Wild Baja” membership

Figure 10 presents an overview of the three mechanisms as well as a graphical representation of how the FOSANP administration was implemented. Below, each of the three mechanisms is described.

a) *Eco-tariffs at hotels*: A voluntary additional room charge or “eco-tariff” at hotels in La Paz. Upon check-out, visitors would pay an additional fee of US\$2.00 or higher on top of their hotel bill. The money would be collected by the hotels and then turned over to FOSANP on a regular basis. The approach would require a high degree of cooperation from the hotel owner/manager, however, once implemented the system would automatically generate substantial donations for conservation management on a regular basis.

This ‘voluntary room-tax’ or conservation surcharge mechanism is already being successfully applied at various hotels around the world, such as at Crown Hotels in Hong Kong which collect donations for WWF (Sherman, 2003). The mechanism is also similar to programs that exist in some countries to earmark a percentage of their mandatory hotel and restaurant taxes to support conservation, such as in the Turks and Caicos Islands (Davis, 2001).



b) *Dive/whale watching tags*: A voluntary fee that would be collected from divers and whale watchers by tour operators. The initial idea was that the program would supply tags for attaching to divers’ BC’s which tour operators would then encourage their clients to purchase. Given the fact that mandatory dive tags are frequently sold at marine reserves

and are familiar to dive tourists, such as at the Bonaire Marine Park, the idea was that a tag system could also generate revenue if offered on a voluntary basis.

The method used to implement this mechanism was to place key chains and donation boxes in the sales offices of participating tour operators (see Figure 11). Key chains were chosen in place of BC tags in order to have one tag that could be offered to all types of visitors (e.g. divers, whale watchers, kayakers). A donation box was chosen as the method of collecting revenue in response to tour operators wanting to avoid the accounting responsibilities and possible tax implications of handling donations directly.

c) *“Friends of Wild Baja” membership program*: Visitors would be encouraged to join to support the conservation of the park they visited. To gain support, tour guides would be trained to pitch the importance of conservation and the need for additional funds during their tours and invite their clients to join by providing application forms for on the site sign-up. Examples of other “Friends of...” organizations which raise funds for parks and other public attractions (e.g. museums) have been successfully applied in many cases. For example, in the Galapagos Islands, Ecuador, a “Friends of Galapagos” network has been established that consists of seven organizations dedicated to supporting conservation in the park.

To promote the membership program, a brochure was produced that described the protected areas of the region and gave an overview of the donation program and its goals. In addition to distribution by tour operators, the brochure was intended to be given to hotels and cruise line operators to leave in guest rooms. A web site for FOSANP (www.fosanp.org) was created as an additional promotional tool for providing visitors more detailed information and to reach a broader audience.

Challenges Faced during Implementation

During the implementation process, the project faced a number of challenges that reduced the amount that was collected. Approximately US\$2,000 in donations were received the first year.

One of the most significant challenges encountered was that Mexican tax law made it difficult for hotels to collect donations from guests on FOSANP’s behalf. As a result, the



Figure 11: Donation box and key chains at a local tour operator office

“ecotariff” mechanism of receiving donations via hotels, which had been expected to generate the largest share of the fund’s donation revenue, could not be implemented. To resolve this issue, Niparajá contracted a consultant to design an accounting system and draft a supporting contract agreement that would enable the hotels to transfer donation revenue from their own accounts to FOSANP on a periodic basis. By spring of the following year, Hotel la Concha, one of the top-end hotels of La Paz, signed a contract establishing the donation agreement thus initiating the eco-tariff mechanism. The agreement has since been used as a model to start the mechanism at Hotel Los Arcos and other top hotels in La Paz.

The program had a similar problem with engaging tour operators to initiate the mechanism of selling dive/whale watching tags. To avoid the administrative burden of collecting donations directly from their clients, tour operators decided this mechanism would be best implemented by placing donation boxes and key chains (as opposed to tags) by the sales counter. This more passive method of soliciting donations has produced less than expected. Furthermore, tour guides have not been effective at encouraging a significant number of tourists to participate in the “Friends of Wild Baja” membership campaign.

Aside from challenges associated with implementing these mechanisms, another challenge the program faced in year one was that Niparajá had a change in leadership early on in the year. During a very busy transition stage, much of the oversight of FOSANP was delegated to a newly hired program coordinator. While highly capable, the coordinator did not have the management authority or knowledge of the tourism industry that was needed to negotiate strategic alliances with hotel and tour operator partners. Later in the year, the Niparajá director was able to devote the attention needed to advance the program at which point significant progress was made.

VI. Key Successes

By the end of year one, FOSANP made significant progress toward becoming established as a long term program for generating income through visitor donations. Although the amount of money collected fell short of initial expectations, significant organizational advances were made in support of its long term success.

- **Board of directors recruited.** To ensure its accountability and promote the program’s credibility among stakeholders, a board of directors was recruited and formed consisting of representatives from the major stakeholder groups. This included representatives from the private tourism sector, academia, NGOs, the civic community, and the protected area system staff.
- **Produced informational material and web site.** Educational brochures were designed and printed in both English and Spanish to educate readers about the conservation value of the Baja protected areas and to inform readers about the program’s strategies and activities. Also available on the web, the materials educates visitors and also serves as a fundraising tool.

- **Donations accepted on-line.** To more easily facilitating donations from past and potential visitors, a system of soliciting donations on-line was established (as shown in the Appendix.)
- **Formed partnerships with hotels.** Relationships were formed with top-tier hotels in La Paz, the gateway city to the Islas del Golfo reserve. An ‘eco-tariff’ donation mechanism that enables the hotels to collect donations from their guests was established with the aid of a tax consultant in collaboration with hotel administrators.
- **Formed partnerships with tour operators.** Partnerships have been forged with various tour operator businesses (see the Appendix for list of operators shown on the FOSANP web site.) In addition, a dive tag donation mechanism was created that encourages customers to make additional voluntary contribution toward conservation.
- **Matching funding for tourism donations.** In collaboration with other Mexican organizations in support of conservation related to tourism, FOSANP negotiated an agreement with the Fondo Golfo de California to provide a one-to-one match for visitor donations. The Fondo Golfo de California will also include FOSANP in the communication materials it presents on Lindblad Expedition cruises.
- **Obtained funding for administrative costs.** To pay for the on-going costs to manage the program, FOSANP successfully received a grant from the Packard Foundation to cover staff, operations, and communications expenses. The grant has since been renewed a second year, allowing visitor donations to be spent exclusively on conservation activities at the reserve.

VII. Recommendations

Below are several recommendations for increasing the effectiveness of FOSANP toward contributing to the long term sustainable financing of the protected areas of Southern Baja California.

1) **Change the eco-tariff donation should be automatically included in the hotel bill**

Presently, when guests check out of a hotel participating in the eco-tariff program, each guest is asked by the hotel clerk whether he or she would like to make a donation to FOSANP in support of conservation. Unless the guest chooses to “opt-in” to the program, no donation is collected.

To increase the total amount collected, FOSANP should consider making the eco-tariff mechanism automatic, whereby a small donation (perhaps US\$1) is automatically charged to the room bill unless the guest specifically asks to be excluded or “opt-out” of the program. While each donation might be smaller than if guests were individually asked to contribute, the cumulative effect of receiving a smaller amount from nearly all guests would result in receiving more revenue. To determine which approach works best for their clientele, hotels should experiment with this approach to see if it is more successful.

2) Hire a tourism consultant to develop strategic alliances with the tourism sector

The program should hire a local tourism sector ‘insider’ that would have a deeper understanding of tourism business dynamics. This expert would be better suited to address the difficulty the program has faced in successfully engaging tour operators in participating in donation collections.

a) Develop a new approach for implementing the dive/whale watching tags

The system of collecting voluntary dive/whale watching tags using a donation box and key chains has not been effective and should be redesigned.

b) Develop a workplan for engaging cruise line operators

Using the skills of the tourism insider, a program for more actively engaging cruise line operators should be developed.

3) Provide training to guides for raisings funds for the “Friends of Wild Baja” membership program

A training program should be developed to teach guides how to better inspire tourists to donate to the “Friends of Wild Baja” program. With the proper training, tour guides will be able to better take advantage of the opportunity they have during the tour when both the benefits of conservation and the need for additional protection can be observed.

4) Expand the program to multi-site

The FOSANP program is at a stage where it should begin the process of supporting revenue generating mechanisms at multiple protected areas. Rather than wait until the donation mechanisms for Islas del Golfo have been fully refined, the program should begin the process of expanding opportunistically now. For example, in Cabo San Lucas, one of the major hotel owners is also on the board of FOSANP. The program should take advantage of this relationship to expand the application of the eco-tariff mechanism to other sites.

VIII. References

Anaya R., G. et. al. 2000a. Código de ética y prácticas ambientales en las Islas del Golfo de California. Cuadernos de manejo No. 1. SEMARNAP, Oficina regional en B.C.S., Mexico.

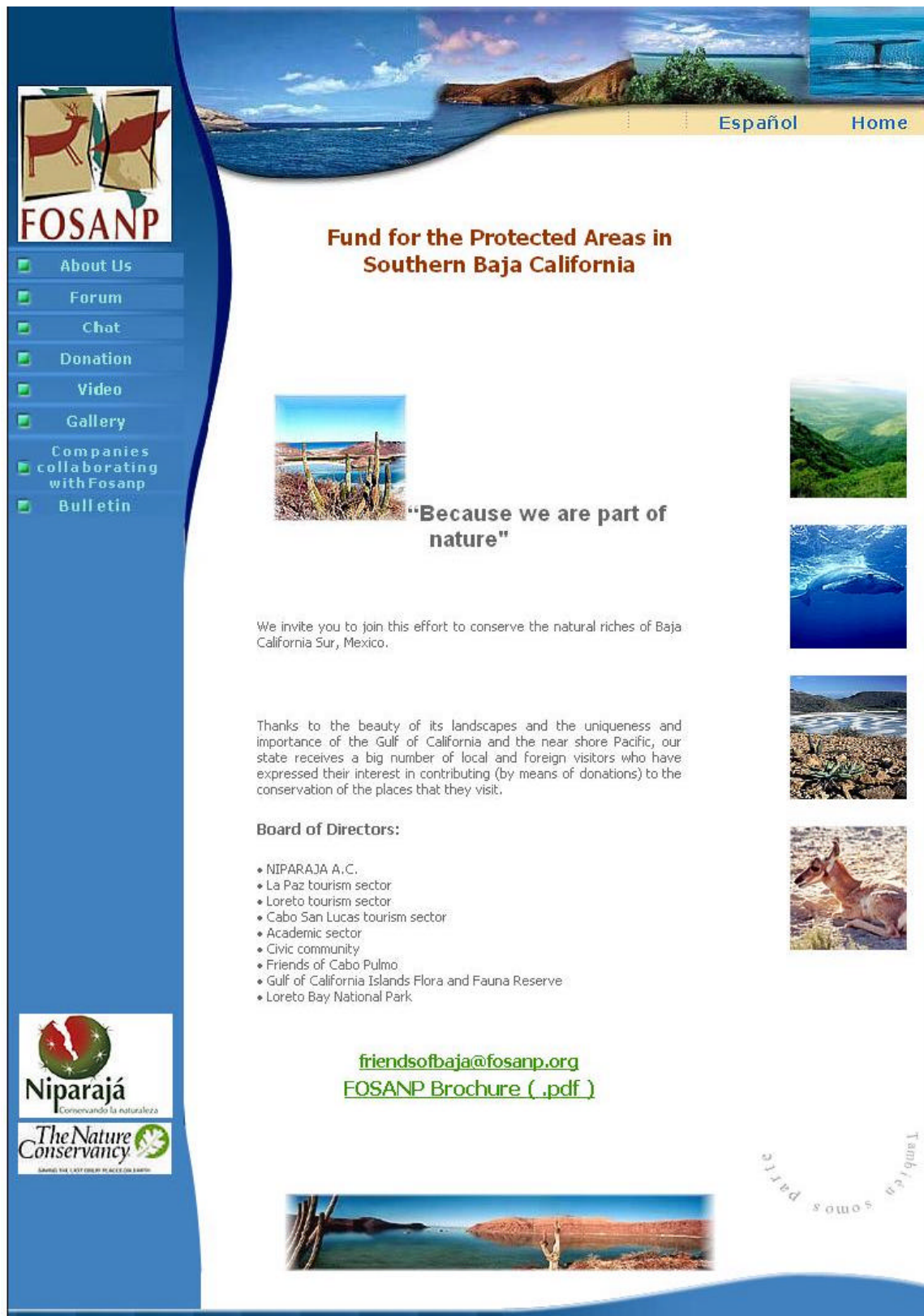
Anaya R., G., et. al. 2000b. Curso de capacitación para guías turísticos, de buceo y tripulaciones del “area de protección de flora y fauna “Islas del Golfo de California”. Cuadernos de manejo No. 2. SEMARNAP, Oficina regional en B.C.S., Mexico.

Anaya R., G. 2003. Instrumentos de Financiamiento en el area de Proteccion de Flora y Fauna Islas del Golfo de California, Mexico. Conference Paper, World Parks Congress, Durban, 2003.

- Benitez, S., 2001. Visitor Use Fees and Concession Systems in Protected Areas – Galapagos Case Study. The Nature Conservancy, Arlington, VA.
- Brown, C. 2001. Visitor Use Fees and Concession Systems in Protected Areas – Synthesis of the North American, Belize and Costa Rica Experiences; The Nature Conservancy, Arlington, Virginia.
- Conservation Finance Alliance. 2002. The conservation finance guide. Wildlife Conservation Society: Conservation Finance Program. Washington, D.C.
www.guide.conservationfinance.org
- Davis, J. 2001. MPAs and tourism: Stakeholders work to build a productive relationship. MPA News. April, Vol. 2. No. 9. School of Marine Affairs, University of Washington.
- FOSANP (Fondo Sudcaliforniano de Areas Naturales de Protección), 2004. “Friends of Wild Baja” Brochure. FOSANP, La Paz, Baja California Sur, México.
- Hodgkins, M., et. al. 2003. Field guide to The Nature Conservancy: A guide to projects and places around the world. The Nature Conservancy, Arlington, VA.
- Lindberg, K. 2001. MPA perspective: MPA revenue generation and the user fee option. MPA News. April, Vol. 2. No. 9. School of Marine Affairs, University of Washington.
- Lindberg, K. 2003. Price responsiveness and other visitor survey results. Baja California Survey Project; Report to The Nature Conservancy, 7 December, 2003.
- López E., R. 2002. Evaluating ecotourism in natural protected areas of La Paz Bay, Baja California Sur, Mexico: ecotourism or nature-based tourism? Biodiversity and Conservation 11: 1539-1550.
- López E., R. 2005. Personal communication with Roberto López Espinosa, Director of Islas del Golfo de California Flora and Fauna Reserve and the Bahía de Loreto National Park. The Nature Conservancy, Arlington, VA.
- Taieb, P. 2003. FOSANP – Financing mechanism Baja California del Sur. Report prepared for The Nature Conservancy, Arlington, VA.
- SEMARNAP, 2000. Programa de manejo Área de Protección de Flora y Fauna Islas del Golfo. Comisión Nacional de Áreas Naturales Protegidas. Tlacopac, México, D.F.
- Sherman, A. 2003. Conservation Finance e-Resources: A Compendium of Examples for Self-Sustaining Projects to Protect Wildlife and the Environment. Washington, DC: World Wildlife Fund. (www.worldwildlife.org/conservationfinance/pubs/finance_resources.pdf)

Appendix – The FOSANP Program Web Site (www.fosanp.org)

The web site provides educational and promotional information in English and Spanish.



The screenshot displays the FOSANP Program Web Site. The header features a large banner image of a coastal landscape with a cliff and ocean, and navigation links for "Español" and "Home". The left sidebar contains a menu with links: "About Us", "Forum", "Chat", "Donation", "Video", "Gallery", "Companies collaborating with Fosanp", and "Bulletin". The main content area is titled "Fund for the Protected Areas in Southern Baja California". Below the title is a quote: "Because we are part of nature" accompanied by a small image of a coastal scene. A paragraph invites visitors to join the effort to conserve the natural riches of Baja California Sur, Mexico. Another paragraph thanks visitors for their interest in contributing to the conservation of the places they visit. A section titled "Board of Directors:" lists several organizations and sectors. The footer includes logos for "Niparajá" and "The Nature Conservancy", a contact email "friendsofbaja@fosanp.org", a link to the "FOSANP Brochure (.pdf)", and a small image of a coastal scene. A vertical text "También somos parte" is visible on the right side.

FOSANP

- About Us
- Forum
- Chat
- Donation
- Video
- Gallery
- Companies collaborating with Fosanp
- Bulletin

Fund for the Protected Areas in Southern Baja California

"Because we are part of nature"

We invite you to join this effort to conserve the natural riches of Baja California Sur, Mexico.

Thanks to the beauty of its landscapes and the uniqueness and importance of the Gulf of California and the near shore Pacific, our state receives a big number of local and foreign visitors who have expressed their interest in contributing (by means of donations) to the conservation of the places that they visit.

Board of Directors:

- NIPARAJA A.C.
- La Paz tourism sector
- Loreto tourism sector
- Cabo San Lucas tourism sector
- Academic sector
- Civic community
- Friends of Cabo Pulmo
- Gulf of California Islands Flora and Fauna Reserve
- Loreto Bay National Park

friendsofbaja@fosanp.org
[FOSANP Brochure \(.pdf \)](#)

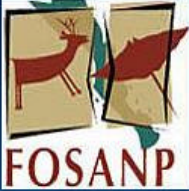
Niparajá
Conservando la naturaleza

The Nature Conservancy
SAVING THE LAST FOREST REEFER AND BAY


También somos parte

The Visitor Donation Page of the FOSANP Program

Visitors may fill out a form to request to make a donation to sign up for membership.



- About Us
- Forum
- Chat
- Donation
- Video
- Gallery
- Companies collaborating with Fosanp
- Bulletin

[Home](#)

Fund for the Protected Areas in Southern Baja California Sur

We thank you for your interest and donations to FOSANP. Please, fill out the blank and we will contact you.

Name:

Address:

City:

State:



Zip Code:



Country:

Phone :

E-Mail:

Our Natural Heritage





También somos

The FOSANP Tourism Business Partnership Page

Tourism businesses participating in the FOSANP program are promoted on the site.



FOSANP

- About Us
- Forum
- Chat
- Donation
- Video
- Gallery
- Companies collaborating with Fosanp
- Bulletin



This Companies are supporting to FOSANP



Baja Ferries



THE **CORTEZ** CLUB
AT LA CONCHA BEACH RESORT

BAJA  CAMP

el ángel azul



HOTEL *Miramar*



ntp
NAVERA TURISTICA del PACIFICO S.A. DE C.V.


bar
mader
wines & cockt
barmadero@hotmail.com




club **canamar**
Resort & Sports
Centro




funbaja
Diving & Eco Adventures




BAJA OUTDOOR ACTIVITIES
BOA
BAJA - MEXICO
www.kayakbaja.com




CARE4




HOTEL RESTAURANT NUESTRO PLAN
北京之家
LA PAZ, B.C.S., MEXICO




BAJA DIVING & SERVICE




BAJA EXPEDITIONS®




DES off road baja adventures




SEA & ADVENTURES, INC.
MAR Y AVENTURAS, S.A. de C.
IN BAJA, MEXICO



BaiaQuest™



La Posada de Engelbert
Colonial Hotel on the Beach



The FOSANP Educational and Promotional Brochure

The brochure is distributed through tourism businesses in both English and Spanish.

Parque Nacional Cabo Pulmo.
Se parte de la conservación del único arrecife coralino en el Golfo de California, hogar de innumerables especies de peces y sitio de anidación de tortugas marinas.

Reserva de la Biosfera Sierra La Laguna.
Apoyamos en la protección de la única zona boscosa en el Estado. Considerada como una "isla" de vegetación en el entorno árido de la península, Sierra "La Laguna" es hogar de especies únicas y la cuenca hidrográfica más importante de la región.

Reserva de la Biosfera El Vizcaino.
Únete a los esfuerzos de conservación del ANP más grande de México y patrimonio mundial-UNESCO. El Vizcaino es una galería natural de cuevas rupestres, lugar de nacimiento de la ballena gris y hogar del berrendo.

Área de Protección de Flora y Fauna Cabo San Lucas.
Colabora en la protección de espectaculares escenarios submarinos como los cascados de arena y del refugio submarino de peces y visitantes ocasionales como los tortugas marinas y la ballena jorobada.

Al aceptar la invitación de visitarnos, participas en la solución y proteges nuestros ecosistemas naturales.

Las futuras generaciones te lo agradecerán.

Por colaborar en el trabajo de la conservación, naturalmente ¡gracias!

Cualquier contribución cuenta en el trabajo de la conservación, ¡Gracias!

Tus hijos te lo agradecerán.

Gracias por apoyar la conservación del capital natural.

Gracias por apoyar la conservación de nuestro patrimonio natural.

www.nipareja.org/fosanp

Sociedad de Historia Natural Nipareja
A.C. P.O. Box 11, Modero #389, entre Constitución y 5 de Mayo, Col. Centro, CP23000
Tel y Fax a E-mail:
BajaMex 31-7148944

Sociedad de Historia Natural Nipareja
The Nature Conservancy



FOSANP
Fondo Sudcaliforniano para Áreas Naturales Protegidas

TAMBIÉN NOSOTROS SOMOS PARTE DE LA NATURALEZA

NUESTRO PATRIMONIO NATURAL

ÁREAS NATURALES PROTEGIDAS DE BAJA CALIFORNIA SUR

Baja California Sur es reconocida a nivel mundial por su extraordinario patrimonio natural. Por esta razón, están en el estado diferentes Áreas Naturales Protegidas (ANP) que tienen un fin común: conservar los ecosistemas y biodiversidad de la región. La conservación de los recursos naturales se ha convertido en una prioridad para cualquier país del mundo. Méjico no podrá ser la excepción, ya que es considerado uno de los países con mayor diversidad biológica en el planeta. Dada la relevancia de estas áreas para los Sudcalifornianos, los Mexicanos y el mundo, es necesario que todos colaboremos en su conservación.

¿Cómo se manejan?
El Fondo Sudcaliforniano para Áreas Naturales Protegidas de Baja California Sur (FOSANP) se ha creado para que todos nos sumemos a la conservación de nuestros ANP. La misión de FOSANP es conservar el patrimonio natural de Baja California Sur, complementando los recursos económicos existentes para realizar las acciones de conservación en las áreas naturales protegidas en beneficio de los habitantes de la región, visitantes y las generaciones futuras. FOSANP es un esquema público-privado, administrado por la Sociedad de Historia Natural Nipareja, una organización local sin fines de lucro quien es la responsable de la recaudación, manejo, canalización y la aplicación de los recursos captados. Los ANP's beneficiados serán responsables de la ejecución de los proyectos bajo la supervisión de un Consejo Directivo representativo de la sociedad local, The Nature Conservancy, sectores empresarial, académico y gubernamental de los ANP's, con el objetivo de garantizar la transparencia en el manejo del Fondo.

Tu donación es muy importante para realizar acciones urgentes de conservación en las áreas naturales protegidas.

Área de Protección de Flora y Fauna Islas del Golfo de California.
Ayuda a proteger uno de los últimos ecosistemas insulares mejor conservados en el mundo, lugar de numerosos especies que no se encuentran en otro lado del mundo y dependen de las islas para su reproducción y desarrollo.

Parque Nacional Bahía de Loreto.
Contribuye en la protección del lugar, Bahía de Loreto que alberga la mayor diversidad de mamíferos marinos en todo México. Es el reino de la ballena azul, el animal más grande del mundo, e importante área de pesca comercial y deportiva.

